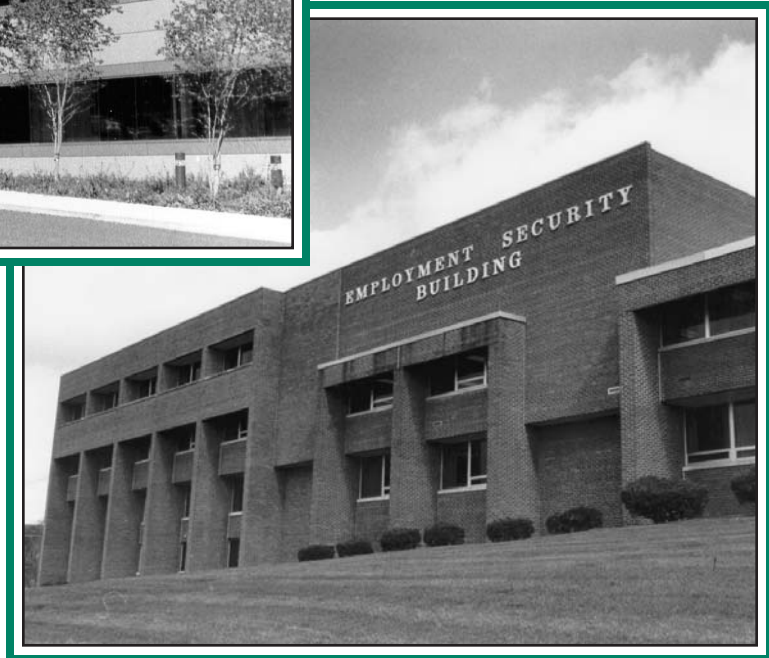


MISSOURI DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

Strategic Plan



2001-2005

Fiscal Year 2005 Update
(Revised October 1, 2003)

Contents

3-4

Executive Summary

Vision, Mission, Values

Summary of Outcomes/Objectives

Summary of Programs

5-16

Outcome One

Reduced job related accidents, illnesses and fatalities.

17-38

Outcome Two

Increased efficiency and customer satisfaction with department services.

Executive Summary

Vision

Be the nationwide leader in providing the best working environment for all Missourians.

Mission

The Department of Labor and Industrial Relations is dedicated to providing safe and healthy workplaces and ensuring economic security for all Missourians.

Values

The Department of Labor and Industrial Relations believes in the following principles to accomplish its vision and mission:

- **Leader** – Be the front runner in administering state and federal laws regarding employer and employee rights and responsibilities.
- **Partnerships** – Collaborate with federal, state and local partners and employers, other government agencies, communities and customers to provide the best environment for all who work in Missouri.
- **Accountability** – Streamline programs and services to provide Missourians with exceptional service in the most cost-efficient manner.
- **Inventiveness** – Provide the most innovative, creative and hassle-free services to Missouri citizens.

Key Outcomes and Objectives

1. Reduced number of accidents, illnesses and fatalities.
 - 1.1 Increase the number of workplace hazards eliminated resulting in a cost savings for Missouri businesses.
 - 1.2 Increase the number of children verified by a child labor inspection to be employed in safe and healthy workplaces.

2. Increased efficiency and customer satisfaction with department services.
 - 2.1 Increase the percentage of insurers and self-insurers compliant with Second Injury Surcharge payments.
 - 2.2 Increase the percentage of accurate and timely First Report of Injury (FRI) information received.
 - 2.3 Increase the percentage of claimants filing new, renewed, reopened and weekly unemployment insurance claims via the Internet.
 - 2.4 Increase the percentage of employers filing contribution wage reports and/or payment of contributions via the Internet.

Decrease the average time and cost to a business to file a quarterly contribution wage report.
 - 2.5 Increase the percentage of first benefit payments made within 14 days of the first compensable week.

Increase the percentage of nonmonetary determinations on separation issues completed within 21 days from detection date.

Increase the percentage of lower authority appeals decided within 30 days of appeal.
 - 2.6 Reduce the average wait time on telephone when filing an unemployment insurance claim.

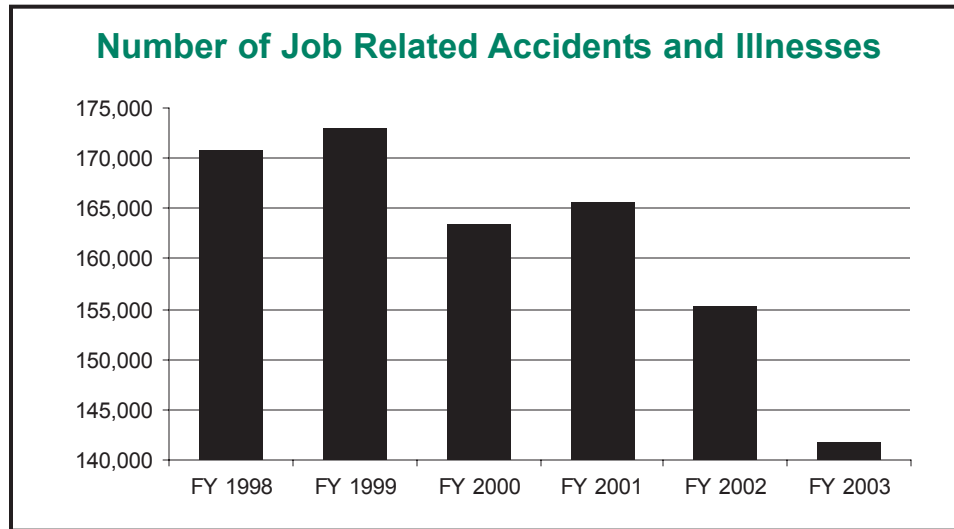
Increase the average number of calls answered per Regional Claims Center (RCC) staff.

Key Programs

- Child Labor
- Crime Victims' Compensation
- Discrimination Intake and Investigation
- Mine and Cave Safety and Health Training and Inspection
- Missouri Assistive Technology
- Missouri Workers' Safety
- On-Site Safety and Health Consultation
- Prevailing Wage
- Public Sector Bargaining
- Unemployment Insurance (Appeals, Benefits, Contributions)
- Wage and Hour
- Workers' Compensation

OUTCOME ONE:

Reduced Number of Job Related Accidents, Illnesses and Fatalities.



SOURCE: Division of Workers' Compensation, Department of Labor and Industrial Relations

Data Table

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Number of job related accidents, illnesses and fatalities	170,727	173,079	163,540	165,698	155,333	141,844

SOURCE: Injury Processing Report, Missouri Department of Labor and Industrial Relations

Description of Measure

These measures represent the total number of First Reports of Injury (FRI) received by the Division of Workers' Compensation. The first measure is the aggregate of accidental injuries and occupational diseases. Separating accidental injuries from occupational diseases is inappropriate because settlement of or payments on a case are made the same way regardless of the cause or nature of the injury. Therefore, it is difficult to make a distinction as to cause or nature and provide a precise number of occupational diseases.

The second measure is the total number of job related fatalities.

Why This Measure is Important

Unsafe workplace practices endanger the health and safety of Missouri's workforce and can hinder the educational opportunities and development of working children.

In 2001, over 130 people lost their lives in Missouri workplaces and approximately 165,000 were injured on the job. The five industries with the highest number of nonfatal occupational injuries in Missouri in 2000 were manufacturing, wholesale and retail trade (food stores, service stations, eating and drinking establishments), services (hotels, auto repair, health services), transportation and public utilities and construction. Manufacturing was the industry with the highest number of nonfatal occupational injury and illnesses cases, as well as the highest incidence rate of nonfatal occupational injuries and illnesses in 2000. However, the number of cases and incidence rate were reduced by ten percent since 1999. Improving working conditions throughout Missouri will contribute to a decrease in work related injuries.

Trend Analysis

There has been a significant reduction of injuries in Missouri workplaces over the last six years. This reduction in workplace injuries has occurred even though a booming economy added workers to the labor market. The 17 percent decrease in workplace injuries since 1998 is a result of several factors. First, the legislative reforms in 1993 made significant changes in workers' compensation law, particularly safety, which encouraged employers and workers to take a close look at their safety programs and incorporate safety features into their workplaces. Second, the positive trend in injuries is further stimulated by the work of the safety programs offered through the Department's three safety and health programs; On-Site Safety and Health Consultation, Mine and Cave Safety and Health Training and Inspection and Missouri's Workers' Safety. By removing or controlling identified safety and health hazards in the workplace, employers are able to reduce likely Federal Occupational Safety and Health Administration (OSHA) and Mine Safety and Health Administration (MSHA) fines. Third, the educational efforts of the Department have provided employers and workers with an important source of information to help them achieve their safety goals. The reduction of workplace hazards results in fewer accidents, which contributes to lower workers' compensation premium costs and improves employee productivity, product quality and job satisfaction.

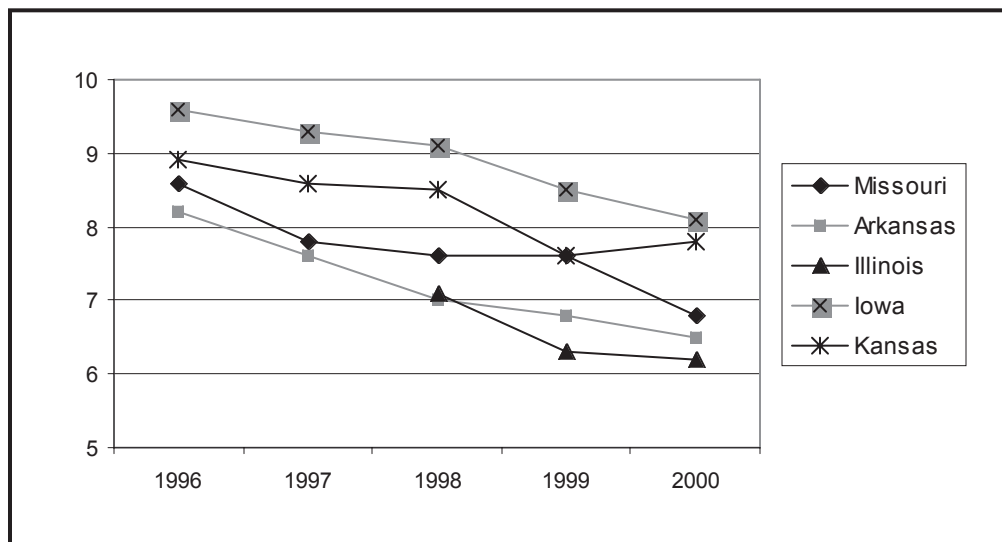
Factors Influencing the Measure/Concerns

Although the number of injuries in the workplace has reduced over the past six years, workplace safety continues to be a challenge for Missouri businesses. Compliance with OSHA regulations is especially challenging for small businesses in Missouri. The Department offers three safety and health programs to combat workplace injuries, however these programs are voluntary for Missouri employers. Under the Missouri On-Site Consultation Program, the Department has no statutory authority to enter a business uninvited to inspect for workplace hazards or assess fines. In addition, the Consultation

program is mandated to only normally visit businesses that employ 250 or fewer employees. This significantly reduces the number of potential businesses to visit. Also, many employers are not fully aware of the benefits of safety and have misgivings about using a government agency to critique their safety programs.

How Missouri Compares to Others

According to the Bureau of Labor Statistics (BLS), US Department of Labor, Missouri is comparable with neighboring states in nonfatal rates of occupational injuries and illnesses per 100 full-time workers, in private industry.



	1996	1997	1998	1999	2000
Missouri	8.6	7.8	7.6	7.6	6.8
Arkansas	8.2	7.6	7.0	6.8	6.5
Illinois	*	*	7.1	6.3	6.2
Iowa	9.6	9.3	9.1	8.5	8.1
Kansas	8.9	8.6	8.5	7.6	7.8

SOURCE: Bureau of Labor Statistics, US Department of Labor

*Data not provided

The Department's Workers' Safety Program is in the process of developing a program to analyze nonfatal rates of occupational injuries and illnesses.

What Works

Providing training and educational information to Missouri employers has proven to increase workplace safety. Offering a no-cost, no-fine, on-site consultation visit protects Missouri's workers while assisting

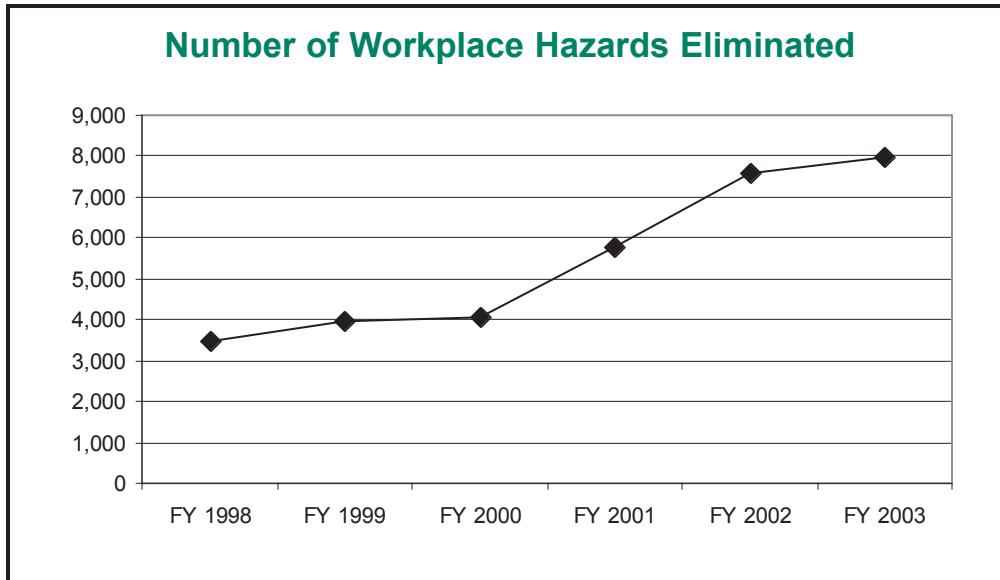
employers (because of federal regulations, many with fewer than 250 employees) to stay competitive in the changing marketplace.

The On-Site Safety and Health program within the department has shown a nominal increase in the number of safety and health hazards identified and abated. This has been accomplished through a concentrated effort by the program to visit the highest hazard industries (construction, food processing, nursing homes, ship building and logging), which are shown to have high rates of accidents and illnesses.

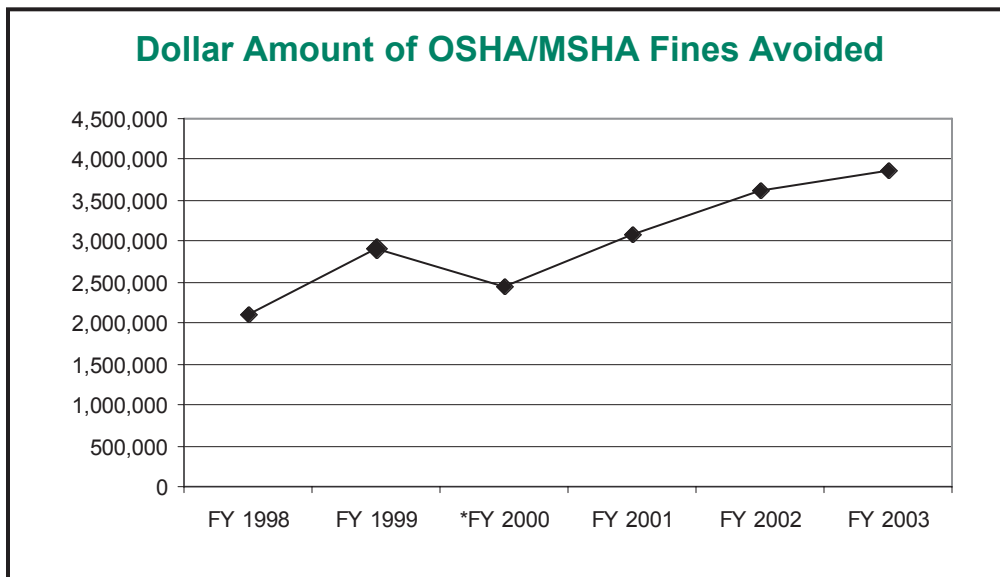
Good data must be available to determine how safe and healthy workplaces are in Missouri. The absence of this data makes it impossible to develop educational outreach services, worker safety programs and injury and illness prevention measures to be implemented at worksites. The Department's Research and Analysis Section, in cooperation with the U.S. DOL, Bureau of Labor Statistics, collects and processes occupational injury and illnesses data in Missouri. This survey accounts for occupational injuries and illnesses across the various occupations and industries in Missouri and helps industries develop work safety programs.

OBJECTIVE 1.1:

Increase by 2% (7,966 to 8,125) the number of workplace hazards eliminated resulting in a 2% (\$3.86 to \$3.94 million) cost savings for Missouri businesses.



SOURCE: Division of Labor Standards, Department of Labor and Industrial Relations



SOURCE: Division of Labor Standards, Missouri Department of Labor and Industrial Relations

*In 2000 and 2003, OSHA decreased the average dollar fine per hazard.

Data Table

	Actual				Projected		
	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06
Increase the number of OSHA/MSHA hazards eliminated	4,080	5,751	7,578	7,966	8,125	8,288	8,454
Increase the amount of OSHA/MSHA fines avoided	*\$2.45 mil	\$3.09 mil	\$3.62 mil	\$3.86 mil	\$3.94 mil	\$4.02 mil	\$4.10 mil

SOURCE: Division of Labor Standards, Missouri Department of Labor and Industrial Relations

*In 2000 and 2003, OSHA decreased the average dollar fine per hazard.

Description of Measure

Workplace hazards could be in any of the following categories:

Serious: can cause an accident or health hazard exposure resulting in death or serious physical harm.

Other-than-serious: lack the potential for causing serious physical harm, but could have a direct impact on employee safety and health.

Regulatory: reflects violations of the OSHA and MSHA posting requirements, record keeping requirements and reporting requirements.

The dollar amount of MSHA fines is determined by multiplying the number of hazards found and abated by the average cost of a cited MSHA violation, which is \$275.00.

The dollar amount of OSHA fines is determined by multiplying the number of hazards found and abated by the average cost of an OSHA violation, which is \$651.00.

Why This Measure is Important

Missouri's businesses become safer through the identification and elimination of workplace hazards. In the last five years, nearly 30,000 workplace hazards have been identified and eliminated. The safety programs provided by the Department assist employers in complying with complicated federal OSHA/MSHA regulations. Professionally trained safety and health consultants, inspectors and trainers must continue to provide consultations and training to employers in an effort to continue to reduce the number of workplace accidents, illnesses and fatalities.

Trend Analysis

Since fiscal year 1999, the number of workplace hazards eliminated increased 100 percent. The identification and elimination of workplace hazards has resulted in the potential to lower workers' compensation premium costs and has improved employee productivity, product quality and job satisfaction.

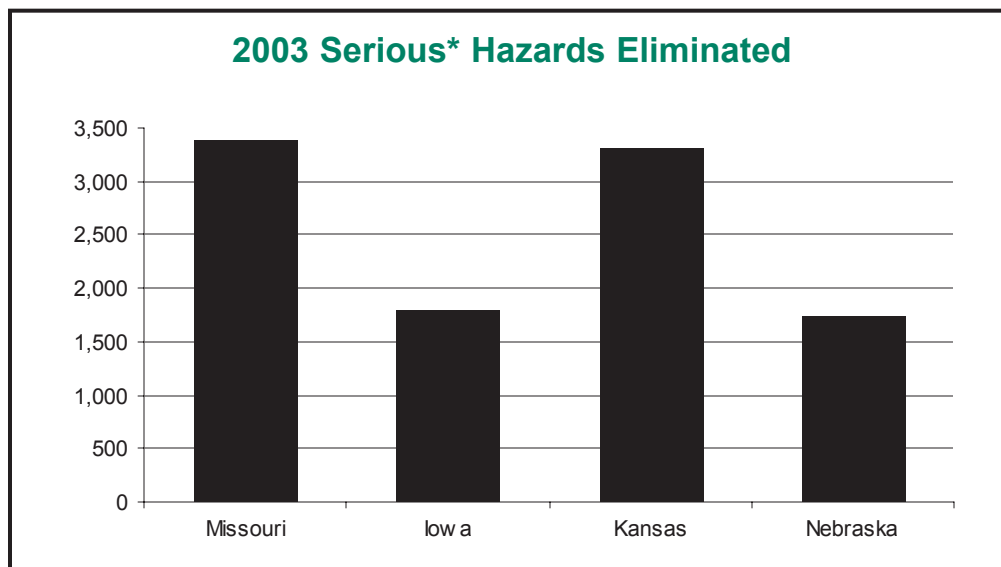
Over the last five years, the Department has helped employers realize a possible cost savings of nearly \$16 million by the recommended hazard abatements.

Factors Influencing the Measure

1. Willingness of employers to abate identified hazards.
2. Ability to encourage employees to buy into their responsibilities for workplace safety and health.
3. According to Chapter 293, RSMo., the Department's Mine and Cave Inspection Program is limited to specific mines. This limits the program's exposure in the mining community.
4. OSHA limits the On-Site Safety and Health Consultation Program's customer base. They are required to service primarily high-hazard, small employers. OSHA chooses the high hazards yearly by reviewing and tabulating national data, not state by state. Unfortunately, the high hazards identified by OSHA do not necessarily reflect what is actually occurring in Missouri.

How Missouri Compares to Others

OSHA: Missouri shares a region with Iowa, Nebraska and Kansas. Other regional comparisons are not available.



SOURCE: Mandated Activities Report for Consultation, OSHA

*Serious refers to any hazard that has the potential to cause serious harm or death.

MSHA: Missouri along with 47 states and the Navajo Nation have Mine Safety Training Programs, but Missouri and 10 other states have complete Mine Safety Programs that also include Mine Inspections and consultations. Other states do not measure the number of hazards identified and abated in mining. This is strictly a measure developed by the Missouri Department of Labor and Industrial Relations, Division of Labor Standards, Mine and Cave Safety and Health Training and Inspection Section to measure the success of our program. Other states have different measures to show success and accountability of their program Mine Safety Programs.

What Works

Increased intensity and frequency of inspections and consultations, and outreach focused on specific target audiences continue to positively impact the reduction of workplace hazards.

Concerns

The Department's On-Site Safety and Health Consultation Program is mandated to only normally visit businesses that employ 250 or fewer employees. This significantly reduces the number of potential businesses to visit. The safety and health programs offered to Missouri's employers through the Department's Division of Labor Standards are funded through Cooperative Agreements with the U.S. Department of Labor (USDOL). Therefore, these programs must conform to requirements listed in the Cooperative Agreements for the fiscal year under contract. OSHA/MSHA, as the contractor, has the right to set or change program requirements when or if they deem necessary.

The formula used to calculate the "fines avoided measure" is highly dependent on the previous year's activities of OSHA/MSHA citations. When the average dollar fine per hazard decreases in a given year, the total amount of cost savings will also decrease accordingly, as seen in fiscal year 2000 and 2003.

Strategies

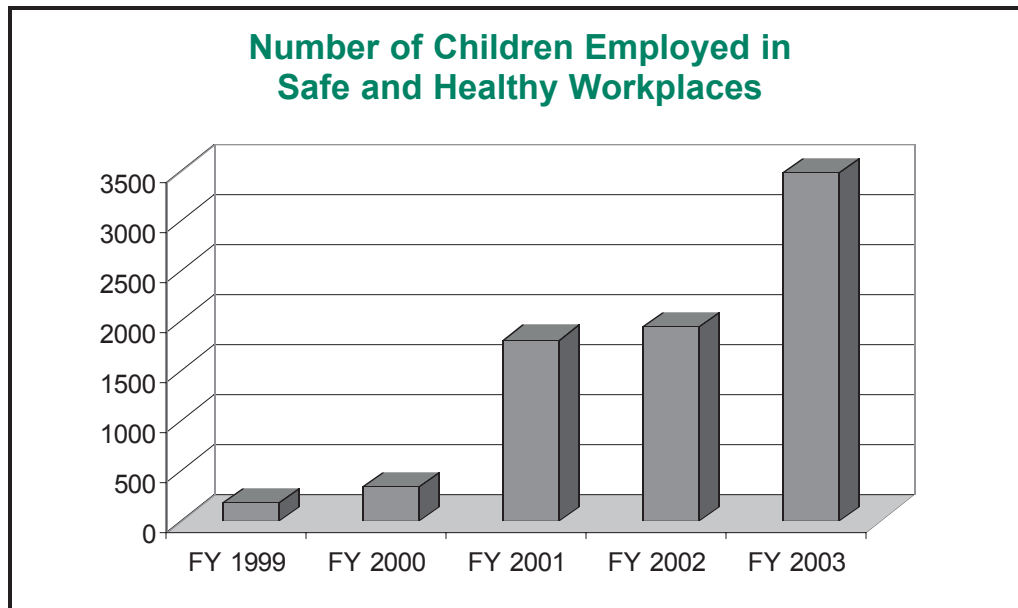
1. Target On-Site solicitations to the three highest hazard industries in Missouri.
2. Provide extensive training for On-Site consultants in current OSHA inspection procedures and priorities.
3. Encourage employers to correct serious hazards identified in a prompt manner.
4. Target process areas in Missouri mines, mills and preparation plants that show an increase in accidents or injuries for intensified inspections and hazard awareness and elimination training programs.

Key Programs

- On-Site Safety and Health Consultation
- Mine and Cave Safety and Health Training and Inspection
- Missouri Workers' Safety

OBJECTIVE 1.2:

Increase by 2% (3,474 to 3,543) the number of children verified by a child labor inspection to be employed in safe and healthy workplaces.



SOURCE: Division of Labor Standards (DLS), Missouri Department of Labor and Industrial Relations

*In 2001, the DLS began counting ALL children assisted. Previously, only children working in a business involved in a violation was counted.

Data Table

	Actual				Projected		
	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06
Number of children employed in safe and healthy workplaces	332	*1,812	1,933	**3,474	3,543	3,614	3,686

SOURCE: Division of Labor Standards, Missouri Department of Labor and Industrial Relations

*In 2001, the Division of Labor Standards (DLS) began counting all children assisted. Previously, only children working in a business involved in a violation was counted.

**DLS outreach assistance resulted in a positive change in a businesses' hiring practice resulting in a marked increase in their hiring practices now employing 1,600 children.

Description of Measure

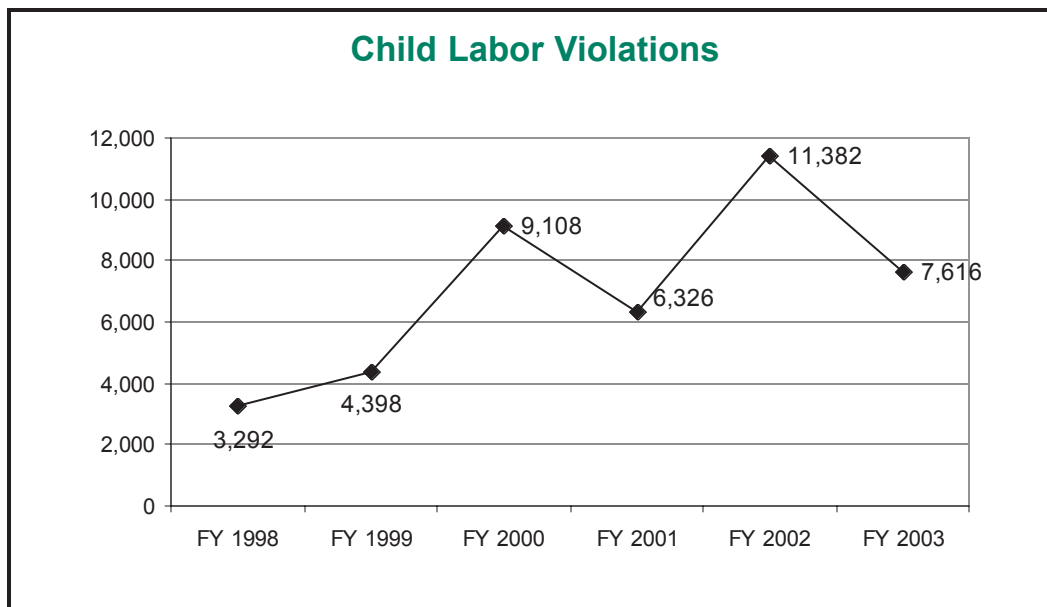
The measure is the total number of children under the age of 16 in workplaces reviewed and determined to be, or brought into compliance with the Missouri Child Labor Law.

Why This Measure is Important

Each year, many youth under the age of 18 are injured on the job. In fiscal year 2001 alone, nearly 3,000 Missouri youth were injured seriously enough to file a workers' compensation claim. Since fiscal year 1998, over 30,000 child labor violations have been found. Correction of violations leads to more youth working in safe and healthy workplaces and provides better achievement of educational goals.

There are restrictions on the number of hours, times and places a fourteen or fifteen year old can work. However, there are no hour limitations for a child sixteen years or older. Working long and late hours leads to sleep deprivation. For school children this affects the educational process and increases the chance of being injured on the job. Violations of time and hour restrictions can cause increased drop-out rates, higher rates of drug and alcohol abuse, higher levels of gang activity, increased violent behavior, lower grade levels and increased absenteeism. When examining employment patterns of children under age 18, it is important to recognize that 80 percent of children work at some time during high school in addition to attending school. Thus, working 20 hours per week during the school year approximates a 50 hour workweek, not considering homework or extracurricular activities.

Trend Analysis



SOURCE: Division of Labor Standards, Missouri Department of Labor and Industrial Relations

Over the past five years, more than 90 percent of child labor violations cited have been a result of youth having no work certificates and working improper times and hours. Young persons under 16 can work during the school term if they first get a work certificate. However, certain restrictions apply. These youth may not be employed during the school year for more than three hours on any school day or for more than eight hours on any non-school day and no later than 7:00 p.m. during the school year and 9:00 p.m. in the summer.

The number of child labor violations continues to increase. Historically, most child labor violations are found in the retail and food service industries.

How Missouri Compares to Others

The table below indicates the number of inspections conducted in fiscal year 2000 for labor law compliance. Forty states responded to the survey. Missouri ranks third in total inspections conducted when compared to all 40 responses.

State	Total Inspections	Inspections showing violations	Total illegally employed minor found
Illinois	1,445	60	533
Iowa	15,236	0	0
Kansas	0	0	0
Missouri	6,266	11,382	348
Nebraska	102	6	0
Oklahoma	111	51	*

SOURCE: 2002 Child Labor State Survey, Child Labor Coalition

*No answer

Factors Influencing the Measure

Missouri's Child Labor Law only applies to youth under 16. However, very little employment data is available for youth these ages. Therefore it is impossible to determine exact rates of injury and whether the rates are increasing or decreasing.

Fourteen and fifteen year olds work several "odd jobs" that may never be reported as true employment. Therefore, some workplace injuries are not reported.

If violations are found during inspections, employers often state they are not aware of the Child Labor Law. In addition, youth tend to accept jobs at less pay and are easily intimidated by employers.

What Works

The Department provides outreach and education relating to the Missouri Child Labor Law. Regular educational sessions are provided to educators, employers, parents and school officials on their rights and responsibilities under the law.

Information is provided to employers and other organizations to ensure the employment of children is not detrimental to their health and educational needs.

Compliance inspections lead to protection for youth in the workplace, leading to fewer injuries and better quality education.

Concerns

The Department doesn't have accurate workplace injury incident rate data due to the lack of youth employment data. Therefore, it's difficult to determine the safety and health related impact from Department efforts.

Other Sources of Information

Child Labor Coalition

Protecting Youth at Work – National Research Council, 1998

US Department of Labor, Wage & Hour Division

Young Worker Safety and Health Network

National Institute of Occupational Safety and Health

US Department of Labor, Bureau of Labor Statistics

Strategies

1. Restructure the Wage and Hour section as necessitated by current budgetary constraints while being cognizant of the impact on the Division's customer base.
2. Provide educational outreach specifically to Missouri restaurants, the states largest employer of working youth, in order to assist businesses with an understanding of their rights and responsibilities pertaining to child labor laws.

Key Program

- Child Labor

OUTCOME TWO:

Increased Efficiency and Customer Satisfaction with Department Services.

Why This Measure is Important

The Department constantly reviews how services are provided to customers. A strong emphasis is placed on planning and accountability. Employers, insurance companies and citizens are required by law to do business with the Department. Although we do not compete for business, if department services are not timely or are too expensive, customers will be dissatisfied. Our goal is to provide all customers with exceptional service in the most cost efficient manner and innovative ways possible. Meeting this goal includes identifying key products, reviewing processes and using customer feedback when making changes.

As the use of technology continues to increase, the Department plans to concentrate on providing additional services through the Internet. Increasing the use of services via the Internet will reduce the labor necessary to enter data and file forms, decrease the amount of paper processing required and improve processing time. In order to truly improve customer satisfaction, E-filing should simplify the process for customers and provide a more convenient way to interact with the Department.

OBJECTIVE 2.1:

Increase to 85% (from 82.7%*), the percentage of insurers and self-insurers compliant with Second Injury Surcharge payments.

Data Table

	Actual	Projected		
	FY 03	FY 04	FY 05	FY 06
Percentage of insurers and self-insurers compliant with Second Injury Surcharge payments	82.7%*	85%	88%	90%

SOURCE: Division of Workers' Compensation, Missouri Department of Labor and Industrial Relations

*This measure was implemented in January 2003. Therefore, data is from January 1, 2003 - June 30, 2003.

Description of Measure

The percentage of insurers and self-insurers making required Second Injury Fund Surcharge payments by the required date.

Why This Measure is Important

The Second Injury Fund compensates injured employees when a current work-related injury combines with a prior disability to create an increased combined disability. The basic concept is the whole is greater than the sum of the parts. For example, if an injured employee has a 15 percent disability from the prior injury, and the combined disability is 40 percent, the Second Injury Fund pays for the increased disability with either permanent partial or permanent total disability benefits. The Fund is also responsible for paying medical bills of injured employee when the employer fails to insure its workers' compensation liability. In addition, if the employee is killed, burial expenses and death benefits in the form of weekly payments to the surviving spouse or dependents of the employee are paid from the Fund if the employer is uninsured.

The Fund also provides benefits to injured employees who are undergoing physical rehabilitation. To qualify for these benefits, the employee must be seriously injured and be receiving therapy at a facility certified by the Division. If the injured worker qualifies, he or she will receive \$40 per week for up to 20 weeks for rehabilitation.

The last benefit from the Second Injury Fund is second job wage loss benefits. The benefit applies to injuries that occurred after August 28, 1998. The employee must be injured on the job with the first employer. If the employee is unable to work at a second job as a result of the injury, these benefits may be claimed from the Second Injury Fund.

There were 4,550 new claims filed against the Second Injury Fund in Fiscal year 2003 with \$50.2 million paid out in benefits. The revenue from the Second Injury Fund surcharge assessment is used to pay benefits from the fund. The amount of surcharge assessed must be adequate to generate the amount projected to be paid from the Second Injury Fund.

Trend Analysis

The Division of Workers' Compensation recently began collecting the surcharge from insurers and self-insurers and has not tracked the incidents of late payments of the surcharge.

How Missouri Compares to Others

It is difficult to compare Missouri to other states because not all states have Second Injury Funds and those that do have different funding methods as well as different criteria for benefits eligibility.

Factors Influencing the Measure

Since the Division of Workers' Compensation has only recently begun the collection of the surcharge, it is impossible at this time to identify any factors that may affect accurate measurement of Second Injury Fund Surcharge compliance..

What Works

Although the Division only recently began to collect the Second Injury Fund Surcharge from insurers and self-insurers, it believes that centralizing the collection of the surcharge and the payment of benefits in the Division will only enhance the efficiency of Second Injury Fund processes and performance and will increase the prospects of maintaining the health of the Second Injury Fund.

Strategies

1. Monitor all insurers and self-insurers required to file Second Injury Fund Surcharge payments.
2. Notify those insurers and self-insurers who are out of compliance with Second Injury Fund Surcharge payments.
3. Follow up on late payments and take appropriate action to bring late payers in to compliance with Second Injury Fund Surcharge requirements.
4. Monitor the payment process established by the Division to identify inefficiencies that may hinder payment and collection of the surcharge.

OBJECTIVE 2.2:

Increase by 2%, the percentage of accurate (from 82 to 83) and timely (from 45.3 to 50)

First Report of Injury (FRI) information received.

Data Table

	Actual		Projected		
	FY 02	FY 03	FY 04	FY 05	FY 06
Percentage of FRIs accepted due to accuracy	89%*	82%	83%	85%	88%
Percentage of FRIs accepted due to timeliness	40.2%	45.3%	50%	55%	60%

SOURCE: Division of Workers' Compensation, Missouri Department of Labor and Industrial Relations

*Does not include FRI received by hard copy, only through EDI.

Description of Measure

1. The percentage of First Reports of Injury returned to the sender because the information on the form is inaccurate or incomplete.
2. The percentage of First Reports of Injury received by the Division within ten days of the date of injury.

Why This Measure is Important

Approximately 142,000 workers' compensation injuries were reported in fiscal year 2003. Providing prompt and equitable resolution of cases of work related injuries requires that each case have accurate and complete information and that the information is received in a timely manner so that the case can reach a conclusion based on the most accurate and convincing information. In fiscal year 2002, 11% of First Reports of Injury were returned to the sender because of incomplete or inaccurate information. Also in that fiscal year, 67% of First Reports of Injury were sent to the Division within the statutory time period of ten days. Prompt resolution of a workers' compensation case provides some economic stability to those individuals off work due to a work-related injury. The faster cases are resolved, the less expensive the process will be for the parties involved in the case. Prompt resolution depends, in part, on the Division receiving accurate and complete information within the time period prescribed by law. In addition, more accurate information provides the Division with tools to identify trends and act upon them.

Trend Analysis

The Division of Workers' Compensation has not consistently tracked the incidence of incomplete filings or the inaccuracy for First Reports of Injury, but has just begun to track the promptness of filing of First Reports of Injury. Therefore, there is little historical information available to determine trends.

How Missouri Compares to Others

It is difficult, if not impossible, to determine how Missouri compares to other states because each state collects medical information in a different manner, and not all states collect the same information.

Factors Influencing the Measure

Even though the Division of Workers' Compensation has not consistently measured the incidence of incomplete filings or the inaccuracy for First Reports of Injury, and has just begun to track the promptness of filing of First Reports of Injury, it is aware that these factors may significantly impact the accuracy of the data and how timely receipt affects the resolution of a case. The Division believes that the steps it is taking to increase the receipt of data electronically will have a significant impact on accuracy and timeliness. These measurements are the first effort in controlling the accuracy, completeness and timeliness of the necessary data.

What Works

Currently, the Division receives more than 60% of its First Reports of Injury electronically through Electronic Data Interchange (EDI). The Division realizes that collection of data electronically has a significant impact on the timeliness and quality of the data. This has been consistently demonstrated through the use of EDI. The Division believes that by mandating the use of EDI, as well as training insurance companies, self-insured employers and third party administrators who currently file First Reports of Injury by paper in the correct completion and filing of First Reports of Injury, the concerns raised in this objective will be considerably reduced.

Concerns

Increasing the number of self-insured employers and insurance carriers that file First Reports of Injury electronically as well as increasing the number of forms that are electronically filed is imperative if the Division is to boost the timeliness and quality of the data in the Division's system. Since the filing of First Reports of Injury is not mandatory, there are a number of employers and insurers who are not willing to file electronically. The Division feels that educating paper filers on the benefits of filing electronically will not influence their decision to file electronically. The growth of electronic filing may stagnate if filing EDI is not mandated.

Strategies

1. Increase the number of employers and insurers filing EDI.
2. Enhance the use of electronic communication for documents coming in and going out of the Division.
3. Obtain approval for new rule to mandate the use of electronic filing for First Reports of Injury as well as for any subsequent reports that have been or will be developed.
4. Decrease, through training and quality control methods, the quantity of data that is incorrectly filed, the number of incomplete fields on the filed forms and the number of forms filed after the statutorily required days.
5. Work closely with insurance companies and self-insured companies to integrate their systems to file First Report of Injury electronically.

Key Program

- Workers' Compensation

OBJECTIVE 2.3:

Increase by 2% (14% to 16%), the percentage of claimants filing new, renewed and reopened unemployment insurance (UI) claims and increase to 12% (from 11.7%), the percentage of claimants filing weekly UI claims via the Internet.

Data Table

	Actual			Projected		
	February - June 2001	FY 02	FY 03	FY 04	FY 05	FY 06
Percentage of claimants filing new, renewed and reopened unemployment insurance claims via the Internet	5%*	5.7%	14.2%	16%	20%	25%
Percentage of claimants filing weekly unemployment insurance claims via the Internet	**	**	11.7%	12%	12.5%	13%

SOURCE: Division of Employment Security, Missouri Department of Labor and Industrial Relations

*Internet Claims Filing system was implemented December 18, 2000, however was not marketed until 2/9/01.

**Filing of weekly UI claims was implemented in February 2002. This is a new measure. A baseline will be developed in fiscal year 2002.

Since the continued claims capability via the Internet was added in February 2002, 46,540 claimants requested 50,329 weeks through the Internet application. This represents 2.38 percent of continued claims filed on the Internet since February 2002.

Description of Measure

1. Percentage of the total number of initial UI claims filed.
2. Percentage of the total number of weekly UI claims filed.

Why This Measure is Important

Missouri's unemployment is impacted by seasonal and economic fluctuations. UI claim filing activity is also greater at the beginning of the workweek. With these factors, it is difficult to consistently meet customers' expectations for prompt service during periods of peak workloads.

In 1996, the Department changed the way individuals file initial claims for UI benefits. Instead of reporting in person to local offices, unemployed individuals file initial UI claims by placing a toll free telephone call to one of four Regional Claims Centers (RCCs).

The RCCs received over 397,290 telephone calls in fiscal year 2003 on the toll free 800-line for initial claims. Downturns in the economy significantly affected the number of UI claims filed. During periods of high unemployment (December through February and July), the Department received a substantial increase in the number of claims filed. In January and May, 2003, as part of economic stimulus bills, the U.S. Congress passed legislation that extended the time period for filing Temporary Extended Unemployment Compensation (TEUC) claims. In addition, Congress passed legislation in April 2003 providing additional benefits for unemployed airline related workers (TEUC-A). As a result, 31,000 potentially eligible claimants were notified.

As the number of Internet filed claims increases, the number of 800 calls to the RCCs will be reduced. The Department anticipates this reduction will result in quicker responses and improved customer satisfaction as well as cost savings. With an average of 7.8 minutes per UI call and a cost of seven cents per minute for the toll free 800-line, a 10 percent reduction in the number of calls would result in a potential cost savings of \$21,692 per year (based on the number of calls received in fiscal year 2003).

The Internet On-line Claims Filing System is available 24-hours a day, seven days a week, with a few exceptions for maintenance. The accessibility of this system provides another filing method and expands the hours of services.

Trend Analysis

The Department began taking UI claims via the Internet in December 2000. Since the Internet On-line Claims Filing System was launched, the Department has seen a dramatic increase in the number of Internet claims. During the first quarter of 2003, there were 135,052 total claims filed. The number of claims filed via the Internet was 15,198. While the number of claims filed over the Internet is currently 14.6 percent, there has been a 37 percent increase in the total number of claims filed compared to the first quarter of 2002. Since the program's implementation, approximately 80,000 claimants have filed for benefits through the Internet On-line Claims Filing System.

A satisfaction survey is also a component of the Internet application. Survey results indicate 93.8 percent of the Internet filing claimants agree or strongly agree the application is easy to use. Ninety percent indicated satisfaction with the new filing method. Additional information provided by the survey indicates that 32 percent of the Internet claimants learned about the on-line filing option through the Department's Interactive Voice Response (IVR) System. Almost 13 percent file after regular business hours and 83.5 percent of those filing via the Internet do so from the convenience of their homes.

Beginning in May 2002, the ability to file continued (weekly) claims was added to the Internet On-line Claims Filing System.

How Missouri Compares to Others

There are seventeen states that have implemented some level of Internet claims filing. However, Missouri is the only state that immediately interfaces claimant data to mainframe data without requiring staff to key or review the data. As a result, Missouri has been able to redirect more than 2,500 staff hours toward other claims activities.

Factors Influencing the Measure

The Temporary Extended Unemployment Compensation (TEUC) Program was implemented in March 2002 was extended by Congress in January and May 2003. This program has had a significant impact on the number of unemployment claims filed via the Internet application. Approximately 188,000 Missourians were identified as potentially eligible for TEUC. Eligible TEUC claimants must use the IVR System to file through the RCCs because there is no electronic filing method for them to claim these benefits. The Department determined the necessary programming to allow claimants to file for TEUC on-line was not cost effective for a temporary program. To date, more than 103,000 Missourians have filed claims for TEUC benefits.

Efforts to redirect the target audience toward Internet claims filing compete with the confidence and success of our current telephone claims system. Promoting Internet claims is a component of the IVR System. However, once the claimant has entered information via the telephone keypad, the option to file electronically is no longer available. If the claimant disconnects the phone call after entering information and attempts to file electronically, the Internet On-line Claims Filing System recognizes this action as a duplicate claim and will not process further.

The Department is aware of this problem and is working with the Information Systems Section to develop programming to allow claimants who have phoned the IVR System to be able to access the Internet On-line Claims Filing System.

What Works

The Internet On-line Claims Filing System is more convenient for many individuals and provides them with another option for filing UI claims. Those individuals filing via the Internet eliminates the time spent waiting to speak to an employee on the telephone and reduces the number of calls received. This leads to increased customer satisfaction, faster responses to claimants who have to use the IVR system, and allows staff to work on other issues.

Concerns

As discussed earlier, the implementation of TEUC has a direct impact on the number of claims filed via the Internet because TEUC claimants may only file through the RCCs. The Department continues to research ways to enhance the current system to allow additional claimants to use the Internet filing process.

Strategies

1. Increase marketing of the Internet On-line Claims Filing System through public service announcements, radio advertisements, links and promotions on other websites, and IVR messages to direct claimants toward the Internet.
2. Include Internet UI services in employer seminars and give presentations including an Internet claims demonstration during the 2003 Labor Management Conference.

Key Program

- Unemployment Insurance (Benefits)

OBJECTIVE 2.4:

Increase to 5% (from 0), the percentage of employers filing contribution wage reports and/or payment of contributions via the Internet.

Decrease the average time and cost to a business to file a quarterly contribution wage report.*

The Department is currently developing an Internet option for employers to file contribution wage reports and make payments of contributions. A survey was sent to employers during the third quarter of 2001 which indicated approximately 38 percent of employers would be interested in using an Internet filing option. Programming began for this project in July 2003 and is scheduled for completion in July 2004.

Data Table

	Projected FY 04	Projected FY 05
Percentage of employers filing contribution and wage reports via the Internet	5%	10%
Percentage of contribution payments made via the Internet	5%	10%
Average time to a business to file a quarterly contribution and wage report	*	*
Average cost to a business to file a quarterly contribution and wage report	*	*

SOURCE: Division of Employment Security, Missouri Department of Labor and Industrial Relations

*New measure. A baseline will be developed in fiscal year 2004.

Description of Measure

1. Percentage of the total number of contribution and wage reports and payment of contributions filed.
2. The Department is currently developing a way to measure the time and cost for employers to file a quarterly contribution wage report.

Why This Measure is Important

Four times a year, the Department prepares and sends a contribution and wage report form to the 130,000 employers in Missouri. This process uses approximately 150 employees for three and a half weeks each quarter. Employees from other areas are asked to assist the contributions section in the receipt and processing of returned contribution and wage report forms.

Employers are given 30 days after each quarter to file their contribution and wage report information and submit payment of contributions. Employers may send a hard copy of this report to the Department or file through magnetic media. Magnetic media includes disk, reel-to-reel and cartridge. Most large employers (approximately 20,000) submit their information through magnetic media. However, over 100,000 employers have less than 250 employees. These employers are submitting their contribution wage report and/or payment through the mail. The Department sorts the reports, enters specific data, scans the documents and then forwards the report to a contractor for additional data entry. This entire process typically takes six weeks.

The filing of contribution and wage reports and payments via the Internet will give employers another option when filing mandatory employee information. The new option will provide employers with a faster, easier and more convenient means to file contribution and wage reports and payments. As more employers utilize the new option, the Department will experience a decrease in the amount of data entry and a cost savings in postage, paper and envelopes and staff will have more time to work on other job duties.

Trend Analysis

Since fiscal year 1998, an average of 510,878 employers were liable for unemployment insurance coverage for their employees. Nearly 10 years ago employers were given the option to file their contribution and wage report through magnetic media. Employers welcomed this new method of filing and in the first seven years, the Department received approximately 40 percent of wage items filed through magnetic media. In 1998, legislation was passed that mandated employers with 250 or more employees to file their contribution and wage reports through magnetic media. Currently, approximately 60 percent of wage items filed by employers each quarter are through this method.

How Missouri Compares to Others

Missouri will be among the first 10 states to offer Internet filing of contribution and wage reports. Maryland, Wisconsin, Texas and Nebraska are some states already offering this method to employers.

Factors Influencing the Measure/Concerns

The Department must make filing of contribution and wage reports via the Internet as convenient and simple as possible. If information is difficult to find, computer screens are not easy to complete and services are not tailored to customers, this method of filing will not be successful.

Customers must be aware of and encouraged to use the Internet service. Some employers do not trust that information is relayed to the Department until he or she speaks to an employee, or do not feel comfortable sending payments over the Internet. The Department must ensure that it is providing improved customer satisfaction; otherwise few employers will take advantage of the filing method.

Placing additional information on the Internet will require additional funds. The assistance of the Department's Information Systems' section will be instrumental in providing these services via the Internet.

What Works

Employers through magnetic media file approximately 60 percent of wage items. This represents approximately 20,000 employers. The remaining approximate 108,000 employers that send a hard copy report to the Department file 40 percent of wages. It is reasonable to assume several employers currently filing through magnetic media will file via the Internet.

Offering employers the option to file contribution and wage reports via the Internet will be a new alternative. Therefore, successful approaches have not yet been identified.

Strategies

1. Research and identify a method to file contribution wage reports and payment of contributions via the Internet.
2. Launch a marketing campaign to familiarize employers and accounting firms.
3. Include new method of filing in all employer seminars and use the mailings distributed with the quarterly employer UI contributions reports.

Key Program

- Unemployment Insurance (Contributions)

OBJECTIVE 2.5:

Increase the percentage of first benefit payments made within 14 days of the first compensable week by 6% (from 85 to 90).

Increase the percentage of nonmonetary determinations on separation issues completed within 21 days from detection date by 23% (from 57to 80).

Increase the percentage of lower authority appeals decided within 30 days of appeal by 21% (from 39 to 60).

Data Table

	Actual				Projected		
	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06
*Percentage of first benefit payments made within 14 days of first compensable week	88.5%	86.3%	86.9%	85.2%	90%	90%	90%
**Percentage of nonmonetary determinations on separation issues completed within 21 days from detection date	65%	54.3%	67.4%	57.4%	80%	80%	80%
***Percentage of lower authority appeals decided within 30 days of appeal	75.95%	52.1%	62.80%	39.41%	60%	65%	70%

Description of Measure

*This is a measure of how quickly the Department mails a claimant the very first UI benefit check on his or her claim. To be considered timely, the Department must mail the check no later than 14 days after the week ending date of the week claimed.

Example: A claim is filed effective June 16, 2002. The first two weeks on this claim are weeks ending June 22, 2002, and June 29, 2002. Each week is identified by the last day of the week and is referred to as the week ending date. If the claimant were eligible, week ending June 22, 2002, would be credited as the waiting week. The claimant would, therefore, be entitled to a check for the week ending

June 29, 2002, making it the first compensable week. To be timely, this check must have been mailed by July 13, 2002.

******This is a measure of how quickly the Department completes a determination on a separation issue (such as the claimant quit or was discharged). To be considered timely, the Department must complete that determination no later than 21 days after the detection date. The detection date is the first day the Department became aware that the separation issue existed. This may be at the time the initial claim was filed or it may be after the Department has received a protest from an employer.

Example: A claim is filed on June 7, 2002. When the claimant files the claim, she tells the deputy she was discharged by her most recent employer. The detection date is June 7, 2002. To be timely, the Department must have made a determination on this separation no later than June 28, 2002.

*******The period from the date of appeal to the date the decision is mailed.

Why This Measure is Important

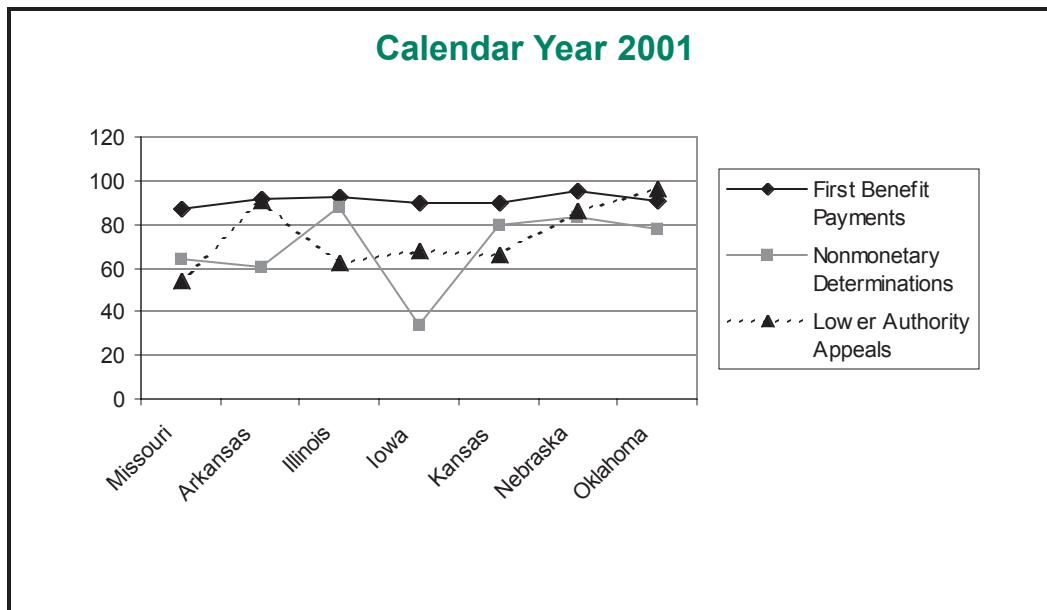
UI benefits provide partial protection against loss of wages for workers who become unemployed through no fault of their own. The UI benefits paid to insured workers help to boost the economy of the state during periods of economic downturn by helping maintain the level of consumer purchasing power.

Timely resolution of claims and appeals will result in prompt payment to eligible claimants. Prompt payments of these benefits will result in eligible claimants receiving money faster, thus helping families during periods of financial hardship.

Trends

On average, the Department has consistently processed 88 percent of UI claims within 14 days and 95 percent within 35 days. The UI program is a joint federal/state system. The federal government places performance standards on various components of the program. In 2001, the federal government raised the performance standard from 87 to 90 percent of first payments processed within 14 days. Effective 2002, the federal government established a performance standard of completing 80 percent of nonmonetary determination separation issues within 21 days from the detection date. As the workload increases, it becomes more difficult to meet federal standards. The federal government does not place sanctions if performance measures are not met.

How Missouri Compares to Others



State	First Benefit Payments		Nonmonetary Determination		Lower Authority Appeals	
	CY 2000	CY 2001	CY 2000	CY 2001	CY 2000	CY 2001
Missouri	86.9%	87.1%	54.6%	63.7%	65.7%	54.4%
Arkansas	93.5%	91.9%	66.9%	60.2%	91.6%	90.3%
Illinois	92.2%	92.6%	85.8%	88.2%	75.7%	62.5%
Iowa	90.0%	89.4%	38.8%	33.7%	74.9%	68.1%
Kansas	92.3%	89.6%	84.5%	79.2%	83.0%	66.1%
Nebraska	94.8%	95.2%	65.9%	83.7%	99.0%	85.7%
Oklahoma	92.0%	90.4%	84.1%	78.1%	96.6%	96.6%

SOURCE: UI Performs CY 2001 Report, US Department of Labor

Factors Influencing the Measure

The UI workload has consistently increased over the past few years. A comparison of the workload from last year shows over 13 percent increase in new and renewed claims, and a seven percent increase in weeks claimed. These increases placed greater demands on the RCC staff and reduced the number of staff who could be assigned to incoming calls.

Because the Internet On-line Claims Filing System does not allow for the filing of TEUC claims, implementation of TEUC has also added to the demands placed on the RCC staff. The Department determined approximately 188,000 Missourians were potentially eligible for TEUC benefits. In order to determine eligibility, claimants must contact their area RCC and provide claims center staff the information necessary to determine eligibility for TEUC benefits.

Staffing of the RCCs is crucial to the success of prompt payments and reduced wait time on phone calls. RCCs have been operating at approximately 12 percent below their allocation. The Department continues to experience employees retiring. Most of these employees retired with over 20 years of service. In addition, after receiving training, employees accept positions outside of state government earning higher salaries. The loss of knowledgeable employees and consideration of hiring and training new employees has a significant impact on the timeliness of cases.

High caseloads and vacant positions are also a concern for the UI appeals section.

What Works

The Department continues to use monitors stationed on the desks of each RCC team supervisor to provide access to a real-time management system for use in managing incoming calls. The monitors indicate the number of calls in the queue waiting to be answered. When a RCC team supervisor notices the queue getting full, he or she will notify central office to re-route telephone calls from one RCC to another. The shift in workloads allows staff to answer incoming calls in a timely manner resulting in decreased wait time and abandoned call rate and increased customer satisfaction. This leads to prompt payment of benefits to claimants.

Expanding the hours a claimant can file an UI claim also assists in decreasing wait time on the phones and increases the timeliness of cases. In the past, staff has been asked to work state holidays to work on nonmonetary determinations. This results in more timely payments to claimants and fewer information calls, allowing more staff to be assigned to initial claim calls.

In June 2002, the Department added the option for claimants to file weekly UI claims via the Internet. This enhancement to the current system will allow more claimants to file via the Internet, resulting in prompt UI payments.

Concerns

Hiring, training and retaining RCC staff is imperative to increasing prompt UI payments to claimants. It takes approximately two years before new employees become fully knowledgeable on the law, rules and regulations under the UI program.

A downturn in the economy has resulted in additional UI claims filed. First, TEUC added over 24,000 claims to the already elevated claims workload. Second, additional workloads with existing staff levels have made improvements in this area difficult. In fiscal year 2003, Missourians filed 3,661,606 weekly unemployment insurance claims and the Department paid a total of \$722,342,653 in unemployment benefits.

It is imperative that benefits are available to those unemployed workers filing for UI. The UI trust fund became insolvent in March 2003. Missouri's UI trust fund was established by law and is used exclusively for the payment of unemployment insurance benefits under Missouri's regular UI program. The fund is supported by contributions (taxes) from private for-profit employers and payments by certain governmental and nonprofit employers who reimburse in lieu of paying contributions.

Attempts to introduce funding mechanisms that would address the solvency of the trust fund failed during the 2002 and 2003 legislative sessions. The Department will provide information necessary to bring the unemployment trust fund to solvency in the next legislative session.

Strategies

1. Conduct reviews of the record control function in all four RCCs to improve the timeliness of nonmonetary determinations separation issues completed within 21 days, and improve the first payment timeliness of unemployment insurance benefits.
2. Develop time saving procedures to reduce amount of staff time required to process initial claims and nonmonetary determinations.

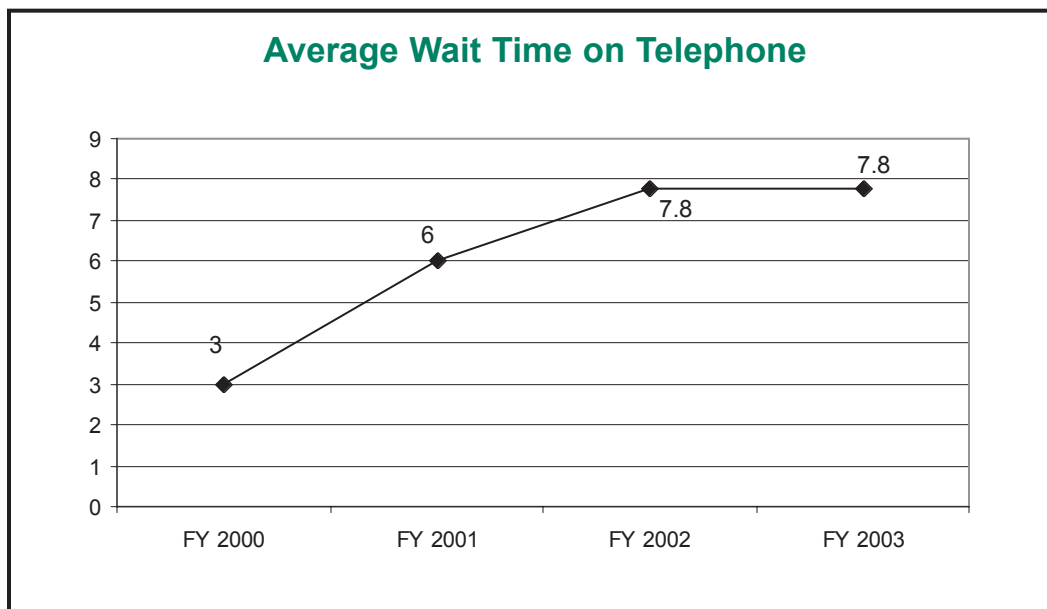
Key Program

- Unemployment Insurance (Appeals, Benefits)

OBJECTIVE 2.6:

Reduce the average wait time on telephone when filing an UI benefit claim from 7.8 to 6.5 minutes.

Increase the average number of calls answered per RCC staff by 2% (from 4,217 to 4,301).



SOURCE: Division of Employment Security, Missouri Department of Labor and Industrial Relations

Data Table

	Actual				Projected		
	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06
Average wait time on telephone*	3.0 min	6.0 min	7.8 min	7.8 min	6.5 min	6.0 min	6.0 min
Average number of calls answered per RCC staff**	3,600	3,552	4,019	4,217	4,301	4,387	4,475

SOURCE: Division of Employment Security, Missouri Department of Labor and Industrial Relations

Description of Measure

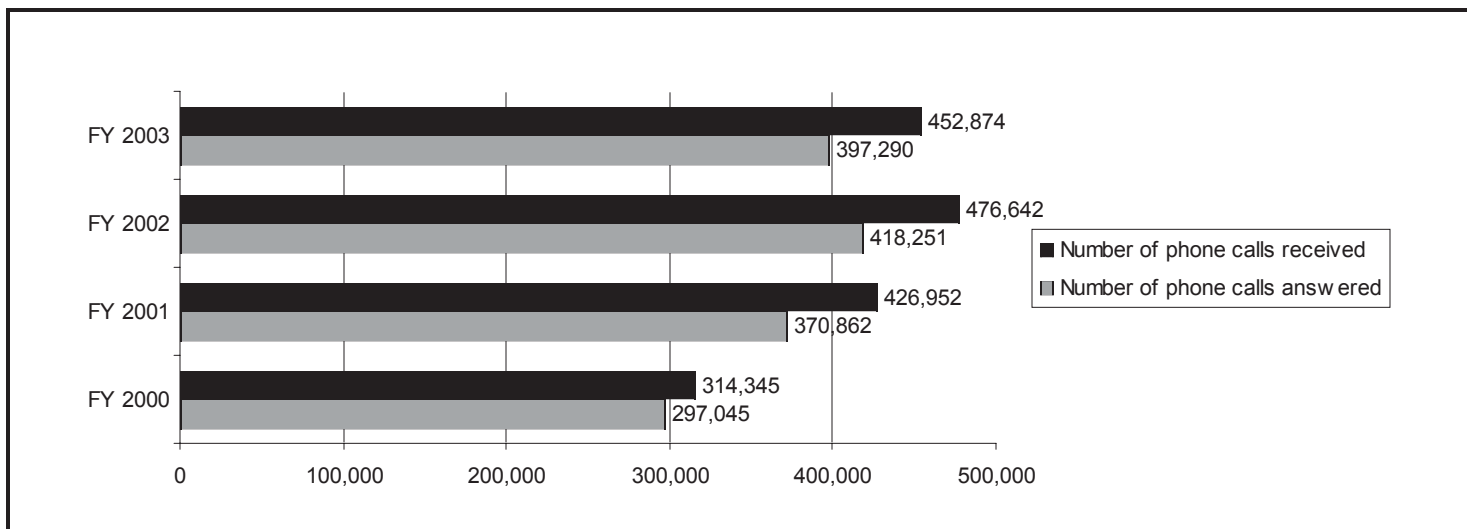
*The average wait time is the total delay time divided by the number of calls answered. Delay time is how long callers wait before their call is answered. The IVR System measures the delay time in seconds and this amount is then converted into minutes.

**Number of calls answered divided by the number of positions worked. Positions worked are an average for each fiscal year and includes annual and sick leave.

Why This Measure is Important

UI benefits provide partial protection against loss of wages for workers who become unemployed through no fault of their own. The UI benefits paid to insured workers help to boost the economy of the state during periods of economic downturn by helping maintain the level of consumer purchasing power.

The RCCs receive over 400,000 telephone calls annually on the toll free 800 line for initial claims. During fiscal year 2002, the RCCs received 397,290 calls. Although initial claim calls declined slightly, TEUC claims accounted for an additional 67,658 calls.



SOURCE: Division of Employment Security, Missouri Department of Labor and Industrial Relations

The inability to speak to a RCC staff member delays the processing of claims and pushes back payment of benefits.

Trend Analysis

Downturns in the economy significantly affect the number of UI claims filed and the number of telephone calls received. During periods of high unemployment (December through February and

July), the Department receives a substantial increase in the number of claims received and number of calls answered.

Over the last five years, the average wait time on the telephone was approximately five minutes.

How Missouri Compares to Others

The structure and method of the UI program differs from state to state. Some states have initial claims operations separate from adjudication. States such as Nebraska and Illinois have local offices for claimants to file UI claims, while others have RCCs. In addition, the amount of information taken by staff on initial claims differs between states based on law.

Factors Influencing the Measure

The number of initial claim calls along with TEUC calls have increased over the last two fiscal years. Two key factors influenced the number of phone calls. First, downturns in the economy significantly affect the number of UI claims filed. During periods of high unemployment (December through February and July), the Department receives a substantial increase in the number of claims filed. Second, as part of an economic stimulus bill, the U.S. Congress passed legislation that gave eligible workers in Missouri a 13-week extension of their UI benefits. As a result, nearly 200,000 potentially eligible claimants were notified.

Additional phone calls place greater demand on the RCC staff and increase wait time for claimants. This leads to claimants abandoning the phone calls before speaking to a staff member.

Staffing of the RCCs is crucial to the success of prompt payments and reduced wait time on phone calls. RCCs have been operating at approximately 12 percent below their allocation. The Department continues to experience employees retiring. Most of these employees retired with over 20 years of service. In addition, after receiving training, employees accept positions outside of state government earning higher salaries. The loss of knowledgeable employees and consideration of hiring and training new employees has a significant impact on the wait time for claimants.

What Works

The Department continues to use monitors stationed on the desks of each RCC team supervisor to provide access to a real-time management system for use in managing incoming calls. The monitors indicate the number of calls in the queue waiting to be answered. When a RCC team supervisor notices the queue getting full, he or she will notify central office to re-route telephone calls from one RCC to another. The shift in workloads allows staff to answer incoming calls in a timely manner resulting in decreased wait time and abandoned call rate and increased customer satisfaction.

Expanding the hours a claimant can file an UI claim also assists in decreasing wait time on the phones and increases the timeliness of cases. In the past, staff has been asked to work state holidays to work on nonmonetary determinations. This results in more timely payments to claimants and fewer information calls, allowing more staff to be assigned to initial claim calls.

In June 2002, the Department added the option for claimants to file weekly UI claims via the Internet. This enhancement to the current system will allow more claimants to file via the Internet, resulting in prompt UI payments. Fewer phone calls should be received at the RCCs, as more claimants utilize the Internet Claims Filing System.

Concerns

Hiring, training and retaining RCC staff is imperative to increasing prompt UI payments to claimants. It takes approximately two years before new employees become fully knowledgeable on the law, rules and regulations under the UI program.

A downturn in the economy and the implementation of TEUC Program generated additional UI claims filed. In April 2003, nearly 31,000 potentially eligible claimants were notified of an extension of UI benefits if unemployment from an airline related employment. The economic stimulus bill was extended by U.S. Congress in January and May 2003. Additional workloads with existing staff levels have resulted in delayed payment of benefits.

Strategies

1. Increase marketing of the Internet Claims Filing System through radio advertisements and public service announcements providing information regarding the convenience of filing for unemployment insurance benefits via the Internet.
2. Develop programming to allow claimants who have phoned the IVR System (800 toll free number) to access the Internet On-line Claims Filing System.
3. Encourage more claimants to use the Internet Claims Filing System through upgrading the current IVR to provide the claimant with automated, real-time, estimates of the wait time to be connected with RCC staff.
4. The Department will continue to investigate workload patterns in an effort to establish permanent staffing solutions for maximum efficiency.
5. Review current phone center processes and data to determine areas for improvement.

Key Program

- Unemployment Insurance (Benefits)



Missouri Department of Labor and Industrial Relations
3315 West Truman Boulevard, PO Box 504
Jefferson City, MO 65102-0504
(573) 751-9691 Fax (573) 751-4135
www.dolir.state.mo.us